Supporting Statement
OMB Control Number 1506-0076

Beneficial Ownership Information Reporting Requirements

1. Circumstances necessitating collection of information.

The Financial Crimes Enforcement Network (FinCEN) exercises regulatory functions primarily under the Currency and Foreign Transactions Reporting Act of 1970, as amended by the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act), Public Law 107–56 (October 26, 2001), and other legislation, including the Corporate Transparency Act (CTA).[1] The overall legislative framework is commonly referred to as the Bank Secrecy Act (BSA). The CTA added a new section to the BSA, 31 U.S.C. 5336, to provide for the collection of information about certain legal entities' beneficial ownership, which FinCEN implements through regulations at 31 CFR 1010.380.

On August 14, 2026, FinCEN issued a final rule entitled "Beneficial Ownership Information Reporting Requirement Revision" (Final Rule).[2] The purpose of the Final Rule is to adopt as final the interim final rule (IFR) issued on March 26, 2025, which narrowed beneficial ownership information (BOI) reporting requirements under FinCEN's regulations implementing the CTA.[3] This Final Rule not only continues to exempt reporting companies from having to report the BOI of U.S. person beneficial owners and U.S. person beneficial owners from having to provide BOI to reporting companies; it also exempts reporting companies from having to submit information about their U.S. person company applicants to FinCEN and exempts U.S. person company applicants from any obligation to provide their information. In addition, the Final Rule exempts all U.S. persons from the requirement to update information already provided to FinCEN in connection with obtaining a FinCEN Identifier, also called a FinCEN ID. FinCEN is issuing this statement to support revisions to this information collection. This statement identifies the estimated burden hours for the OMB control number associated with these revised requirements.

For background, on September 30, 2022, FinCEN published the Beneficial Ownership Information Reporting Requirements final rule (2022 Reporting Rule), implementing the CTA's reporting requirements (31 U.S.C. 5336(b)). The 2022 Reporting Rule became effective on January 1, 2024, and was codified in FinCEN's regulations at 31 CFR 1010.380.[4] The 2022 Reporting Rule applied to certain entities that the Final Rule, like the CTA, call "reporting

[1] The CTA is Title LXIV of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021, Pub. L. 116-283 (January 1, 2021) (the NDAA). Division F of the NDAA is the Anti-Money Laundering Act of 2020 (the AML Act), which includes the CTA. Section 6003(1) of the AML Act defines the BSA as comprising Section 21 of the Federal Deposit Insurance Act (12 U.S.C. 1829b), Chapter 2 of Title I of Public Law 91-508 (12 U.S.C. 1951 *et seq.*), and Subchapter II of Chapter 53 of Title 31, United States Code. Congress has authorized the Secretary of the Treasury (the Secretary) to administer the BSA. The Secretary has delegated to the Director of FinCEN the authority to implement, administer, and enforce compliance with the BSA and associated regulations. Treasury Order 180–01 (Jan. 14, 2020).

[2] FinCEN, *Beneficial Ownership Information Reporting Requirement Revision Final Rule*, 91 FR 52508 (Aug. 14, 2026) (Final Rule).

[3] FinCEN, *Beneficial Ownership Information Reporting Requirement Revision and Deadline Extension Interim Final Rule*, 90 FR 13688 (Mar. 26, 2025) (Interim Final Rule).

companies."[5] The 2022 Reporting Rule required reporting companies to report certain identifying information about themselves, the beneficial owners who own or control them, and, for companies created on or after January 1, 2024, the company applicants who formed or registered them.[6]

Prior to the IFR, 31 CFR 1010.380 required domestic reporting companies and foreign reporting companies[7] created or registered to do business in the United States before the rule's effective date of January 1, 2024, to file initial beneficial ownership information reports (BOIRs) with FinCEN by January 1, 2025, one year after the effective date of the regulations.[8] Domestic reporting companies created on or after January 1, 2024, and those foreign reporting companies registered to do business in the United States in 2024 and before January 1, 2025, had 90 days to file their initial BOIRs with FinCEN.[9] Domestic and foreign reporting companies created on or after January 1, 2025, had 30 days to file their initial BOIRs with FinCEN.[10]

The IFR narrowed the 2022 Reporting Rule's BOI reporting requirements.[11] First, FinCEN exercised its authority under the CTA, specifically 31 U.S.C. 5336(a)(11)(B)(xxiv), to exempt domestic entities from the 2022 Reporting Rule. The IFR text provided for this change by redefining the term "reporting company" at 31 CFR 1010.380(c) to remove the previously defined term "domestic reporting companies" at 31 CFR 1010.380(c)(1)(i). Moreover, the IFR added an exemption to the list of exempted entities at 31 CFR 1010.380(c)(2). This exemption applies to "any entity that is: (A) a corporation, limited liability company, or other entity; and (B) created by the filing of a document with a secretary of state or any similar office under the law of a State or Indian tribe." These revisions relieve all entities previously known as "domestic reporting companies" and their beneficial owners from the requirements to file initial BOIRs and to update or correct previously filed BOIRs.

Second, FinCEN used its general BSA exemptive authority, 31 U.S.C. 5318(a)(7), to exempt foreign reporting companies, and their U.S. person beneficial owners, from the requirement to report to FinCEN the BOI of any U.S. persons who are beneficial owners of the foreign reporting company. Foreign reporting companies whose only beneficial owners are

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[4] FinCEN, *Beneficial Ownership Information Reporting Requirements Final Rule*, 87 FR 59498 (Sept. 30, 2022) (2022 Reporting Rule). In addition, on November 8, 2023, FinCEN issued a final rule on the use of FinCEN identifiers in BOI reporting. FinCEN, *Use of FinCEN Identifiers for Reporting Beneficial Ownership Information of Entities Final Rule*, 88 FR 76995 (Nov. 8, 2023). On November 30, 2023, FinCEN also issued a final rule amending the 2022 Reporting Rule to extend the filing deadline for reporting companies created or registered in 2024. FinCEN, *Beneficial Ownership Information Reporting Deadline Extension for Reporting Companies Created or Registered in 2024 Final Rule*, 88 FR 83499 (Nov. 30, 2023).

[5] *See* 31 U.S.C. 5336(a)(11).

[6] *See 2022 Reporting Rule*, 87 FR at 59498–99; 31 CFR 1010.380(b)(2)(iv).

[7] A domestic reporting company was previously defined at 31 CFR 1010.380(c)(1)(i) as "a corporation; a limited liability company; or other entity that is created by the filing of a document with a secretary of state or any similar office under the law of a state or Indian tribe." A foreign reporting company was defined at 31 CFR 1010.380(c)(1)(ii) as "a corporation, limited liability company, or other entity that is formed under the law of a foreign country and that is registered to do business in the United States by the filing of a document with a secretary of state or equivalent office under the law of a state or Indian tribe."

[8] 31 CFR 1010.380(a)(1)(iii).

[9] 31 CFR 1010.380(a)(1)(i)(A).

[10] 31 CFR 1010.380(a)(1)(i)(B).

[11] *See generally Interim Final Rule*, 90 FR 13688.

U.S. persons are exempt from the requirement to report any beneficial owners. FinCEN used this same authority to revise the special reporting rule for foreign pooled investment vehicles, 31 CFR 1010.380(a)(b)(2)(iii), to exempt such entities from having to report the BOI of U.S. persons who exercise substantial control over the entity.[12]

The Final Rule, like the IFR, retains the requirement for a foreign reporting company to report the BOI of non-U.S. person beneficial owners and company applicants to FinCEN. For these foreign reporting companies, the Final Rule (like the IFR) generally leaves the other BOI reporting requirements in the 2022 Reporting Rule unchanged. Subject to the Final Rule's exemptions, 31 CFR 1010.380 still requires foreign reporting companies to report to FinCEN information identifying themselves and specific individuals, namely: any foreign individual who directly or indirectly exercises substantial control over the reporting company, or who owns or controls 25 percent or more of the entity's ownership interests (each a "beneficial owner"); and any foreign individual who filed the documents necessary to form or register the reporting company with a secretary of state or similar office, as well as the foreign individual (if more than one foreign individual is involved in the filing) who is primarily responsible for directing or controlling the filing (each a "company applicant").[13] Under the Final Rule, reporting companies are no longer required to report information about U.S. person company applicants.[14]

Finally, the Final Rule maintains the option for individuals and entities to obtain a FinCEN ID but relieves U.S. persons of the obligation to update or correct information about themselves that they may have previously submitted when applying for a FinCEN ID. Under the 2022 Reporting Rule, individuals and entities could obtain a unique identifier for BOI reporting purposes in lieu of sensitive identifying information in certain circumstances.[15] Individuals or entities that chose to obtain FinCEN IDs were required to update or correct information about themselves that they previously reported if that information became out of date or was incorrect when filed. Because U.S. persons are no longer required to report personal information, the Final Rule eliminates the requirement for U.S. persons to update information related to a previously obtained FinCEN ID.

2. Method of collection and use of data.

FinCEN is collecting BOI from reporting companies through a form, the BOIR, that is available electronically. With respect to a reporting company that chooses to obtain a FinCEN ID, FinCEN is collecting a reporting company's FinCEN ID through a BOIR. With respect to an individual who chooses to obtain a FinCEN ID, FinCEN is collecting an individual's identifying information through a separate electronically available application known as the FinCEN ID

[12] Under the IFR, a pooled investment vehicle that would be a reporting company but for the exemption at 31 CFR 1010.380(c)(2)(xviii) and is formed under the laws of a foreign country, also referred to as a foreign pooled investment vehicle, is required to report BOI solely with respect to a non-U.S. person who exercises substantial control over the entity. If more than one non-U.S. person exercises substantial control over the foreign pooled investment vehicle, the foreign pooled investment vehicle is required to report information with respect to the non-U.S. person who has the greatest authority over the strategic management of the entity. If no individual with substantial control is a U.S. person, the foreign pooled investment vehicle is not required to report any beneficial owners.

[13] *See generally Final Rule*, 91 FR 52508.

[14] *See generally Final Rule*, 91 FR 52508.

[15] *See* 31 U.S.C. 5336(a)(6), (b)(3).

application. An individual can also use a FinCEN ID application to provide updated identifying information associated with the individual's FinCEN ID.

The information collected is intended to assist law enforcement in anti-money laundering, tax, and other financial investigations; advance counterterrorism, counter-proliferation, and broader national security and intelligence interests; improve financial institutions' ability to assess and mitigate risk; help prevent evasion of financial sanctions; facilitate tax compliance; enhance the financial transparency; and advance U.S. compliance with international standards and information sharing commitments. Moreover, the BOI required by the CTA may make illicit financial activity in the United States more difficult by increasing barriers for illicit actors to covertly transact through shell or front companies within the U.S. economy. Specifically, the Final Rule addresses the risks of foreign illicit actors accessing the U.S. financial system through the use of legal entities created in foreign jurisdictions but registered to do business in the United States. As FinCEN has previously noted, "[c]orrupt foreign officials, sanctions evaders, and narco-traffickers, among others, exploit the current gap in the U.S. BOI reporting regime to park their ill-gotten gains in a stable jurisdiction, thereby exposing the United States to serious national security threats."[16]

3. <u>Use of improved information technology to reduce burden.</u>

Reporting companies and persons applying for FinCEN IDs or submitting BOIRs will be required to submit their information electronically.

4. <u>Efforts to identify duplication.</u>

As described in more detail below, FinCEN determines there are no Federal rules that directly or fully duplicate or overlap with the Final Rule, or that require the reporting of the same information. Therefore, FinCEN determines there is no government source of information already available to FinCEN that is equivalent to the information required to be collected under the CTA. Additionally, FinCEN determines there is no information commercially available that could be used or modified to fully satisfy the statutory requirements of the CTA. While FinCEN recognizes there are commercial databases for company ownership information, including BOI, the information they collect varies widely in terms of the types of identifying information collected, the frequency with which the identifying information is updated, and the permissible purposes for FinCEN to use commercially available BOI. Moreover, these commercial databases lack any enforcement mechanism to discourage inaccurate or incomplete reporting, thereby reducing their reliability and usefulness for law enforcement and national security purposes.

Briefly, FinCEN undertook a number of efforts to identify duplication, including several areas of possible or apparent partial duplication or overlap with the 2022 Reporting Rule, as amended by the IFR and the Final Rule. Below is a summary of the areas that FinCEN reviewed to identify duplication, but, as noted previously and as further explained below, FinCEN has determined there are neither commercial nor government sources of BOI that fulfills the statutory requirements of the CTA to collect, verify, and make accessible to government

[16] *See, e.g.*, FinCEN, *Beneficial Ownership Information Reporting Requirements Notice of Proposed Rulemaking*, 86 FR 69920, 69928 (Dec. 8, 2021).

authorities the BOI of a reporting company for the purpose of combatting money laundering, terrorist financing, and other illicit finance activities. In addition, FinCEN notes that the likelihood of overlap and the possibility of duplicate reporting is significantly lower after the IFR and the Final Rule, particularly since the IFR and the Final Rule limit the category of reporting company to what has been previously referred to as a "foreign reporting company," and the IFR and Final Rule limit the reporting of BOI of beneficial owners to non-U.S. persons. Likewise, the Final Rule further limits the reporting of company applicants to non-U.S. persons, further reducing the possibility such overlap.

- The CTA requires the Administrator for Federal Procurement Policy to revise the Federal Acquisition Regulation maintained under 41 U.S.C. 1303(a)(1) to require any contractor or subcontractor that is subject to the reporting requirements of the CTA and the 2022 Reporting Rule to disclose the same information to the Federal government as part of any bid or proposal for a contract that meets the threshold set in 41 U.S.C. 134.[17] Additionally, Congress created a new beneficial ownership disclosure requirement for the database of Federal agency contract and grant officers that already exists pursuant to 41 U.S.C. 2313(d). Through collaboration with the Administrator for Federal Procurement Policy and other government agencies as necessary, FinCEN continues to identify efforts that reduce, to the extent possible, any duplication of the CTA requirements. At this time, FinCEN determines there is no duplication of the information collected by the Administrator for Federal Procurement Policy.

- FinCEN is aware that the IRS collects taxpayer information that may include information related to beneficial ownership, such as information on entity ownership structure and identifying information about such entities and their owners. However, the IRS does not collect the same information required under the CTA. Moreover, the disclosure of taxpayer information is limited by statute, and the IRS generally does not have authority to disclose such information for the purposes specified in the CTA. Therefore, FinCEN determines there is no duplication with the information collected by the IRS.

- FinCEN is also aware that certain covered financial institutions subject to FinCEN's 2016 rule regarding customer due diligence (CDD) requirements for financial institutions (2016 CDD Rule)[18] are required to collect certain beneficial ownership information from legal entities that establish new accounts.[19] However, the 2016 CDD Rule does not require covered financial institutions to file a report containing BOI with FinCEN, and thereby limits the accessibility of BOI to law enforcement and national security agencies.[20]

- Finally, FinCEN is aware that the Secure Federal Leases from Espionage and Suspicious Entanglements Act (Secure Federal LEASEs Act) requires most Federal agencies with leasing authority to identify the beneficial owners of prospective lessors before entering

[17] CTA, Section 6403(c)(1).
[18] FinCEN, *Customer Due Diligence Requirements for Financial Institutions Final Rule*, 81 FR 29398 (May 11, 2016).
[19] *See* 31 CFR 1020.210 (CDD Rule for banks), 1023.210 (CDD Rule for broker/dealers), 1024.210 (CDD Rule for mutual funds), 1026.210 (CDD Rule for futures commission merchants and introducing brokers in commodities).
[20] *See, e.g.*, FinCEN, *Customer Due Diligence Requirements for Financial Institutions Final Rule*, 81 FR 29398, 29401 (May 11, 2016) (discussion of multipronged strategy in the implementing notice for the 2016 CDD Rule).

into leases of space intended as high security leased space, in conformity with a government-wide plan to be developed by General Services Administration (GSA).[21] At this time, FinCEN determines there is no duplication of the information collected by the GSA.

5. Methods to minimize burden on small businesses or other small entities.

FinCEN recognizes that in the 2022 Reporting Rule, BOI reporting requirements imposed burdens on U.S. small businesses that met the definition of a reporting company. With the Final Rule, as with the IFR, FinCEN is advancing Executive Order 14192's policies to "significantly reduce the private expenditures required to comply with Federal regulations to secure America's economic prosperity and national security and the highest possible quality of life for each citizen" and "alleviate unnecessary regulatory burdens placed on the American people,"[22] including by reducing burdens on small businesses or other small entities.

Prior to the IFR and the Final Rule, many small businesses subject to the 2022 Reporting Rule were what the Rule labeled "domestic reporting companies." By exempting these domestic reporting companies from the 2022 Reporting Rule, the IFR and the Final Rule minimize the burden on small businesses or other small entities but still fulfill the statutory requirements of the CTA. Under the Final Rule, small businesses or other small entities remain subject to the 2022 Reporting Rule only if they are foreign entities registered to do business in the United States, typically through the filing of a business registration document, or similar document, with state authorities in the United States (what the 2022 Reporting Rule previously referred to as "foreign reporting companies"). As described in the IFR and in the Final Rule, foreign companies, even if they are small businesses, present higher risks for money laundering and terrorist financing, while raising fewer concerns regarding regulatory burdens that would not serve the public interest.

6. Consequences to the Federal government of not collecting the information.

Legal entities, including corporations, limited liability companies, and similar entities, play an essential and legitimate role in the U.S. and global economies. However, they can also be used to engage in illicit activity, launder the proceeds of illicit activity, or enable those who threaten U.S. national security to access and transact in the U.S. economy. Although the Final Rule exempts domestic companies and their beneficial owners from the requirements of the 2022 Reporting Rule based on considerations of burden discussed above, the Final Rule explains that BOI reporting of foreign reporting companies is needed because these entities present heightened national security and illicit finance risks.

While the Final Rule did not discuss this point at length, the IFR addressed this point in several places. For instance, the IFR preamble noted that Congress, through certain provisions in the CTA, recognized these heightened concerns about national security and illicit finance risks posed by foreign ownership or foreign control of reporting companies.[23] Congress thus limited certain CTA exemptions to companies that are exclusively domestic. The IFR preamble also

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[21] The Secure Federal LEASEs Act is P.L. 116-276, 134 Stat. 3362 *et seq.* (Dec. 31, 2020).
[22] Executive Order 14192, *Unleashing Prosperity Through Deregulation*, 90 FR 9065 (Jan. 31, 2025).
[23] *See Interim Final Rule*, 90 FR at 13692.

discussed the Financial Action Task Force (FATF)[24] Report on the Concealment of Beneficial Ownership and noted that the majority of cases analyzed by FATF involving shell companies being used for illicit purposes included a corporation located in a foreign jurisdiction.[25]

Requiring the disclosure of foreign beneficial owners and foreign company applicants of foreign reporting companies is thus intended to help the Federal government protect U.S. national security, fight financial and other crime, and promote financial integrity and compliance with key international standards. Not collecting this information would deprive authorized recipients, such as those engaged in law enforcement or national security activities, of a valuable source of information to combat money laundering, terrorist financing, and other illicit activities.

7. Special circumstances requiring data collection inconsistent with guidelines.

There are no special circumstances under which the Final Rule will require data collection inconsistent with guidelines.

[24] The FATF, of which the United States is a founding member, is an international, inter-governmental task force whose purpose is the development and promotion of international AML/CFT standards and the effective implementation of legal, regulatory, and operational measures to combat money laundering, terrorist financing, the financing of proliferation, and other related threats to the integrity of the international financial system. The FATF assesses over 200 jurisdictions against its minimum standards, known as FATF Recommendations.

[25] *See Interim Final Rule*, 90 FR at 13692.

8. Consultation with individuals outside of the agency on availability of data, frequency of collection, clarity of instructions and forms, and data elements.

In preparing the Final Rule, FinCEN reviewed public comments collected on the IFR. FinCEN received 118 comment letters in response to the IFR. Commenters included, among others, small business owners, industry trade groups, law firms, law enforcement agencies, transparency organizations, the secretary of state of a U.S. state, and several United States senators. Of these comment letters, 40 were clearly supportive of FinCEN's decision to narrow the BOI reporting requirements, 28 were strongly opposed, and 50 comment letters did not clearly support or oppose the IFR.

Many commenters wrote that they agreed with FinCEN's decision to exempt domestic entities and U.S. persons from the BOI reporting requirements of the 2022 Reporting Rule. These commenters included individual small business owners, associations representing small businesses, service providers (such as accountants and lawyers), and the secretary of state of a U.S. state. Many of these commenters praised the IFR for taking what they considered a pragmatic and risk-based approach to compliance that addresses the need to combat financial crimes while allowing the vast majority of businesses in the United States to focus on growing their businesses rather than navigating government red tape. Some noted that the IRS already collects information about the beneficial owners of businesses and expressed support for what they perceive as the removal of a redundant requirement. Some also expressed the hope that Congress would adopt the IFR as legislation in order to make it permanent.

Beyond their general support for the IFR, this first group of commenters asked FinCEN to make a number of changes to the reporting requirements in the Final Rule to reduce burden on U.S. persons even more. In particular, many of these commenters requested that FinCEN remove the requirement that foreign reporting companies report the BOI of U.S. person company applicants, as well as the requirement that U.S. persons indefinitely update the information they had provided in order to obtain a FinCEN ID. Some of these commenters also suggested that FinCEN exempt specific types of entities from the reporting requirements, such as homeowners' associations, regardless of their nationality. Finally, and most prominently among the issues they raised, these commenters requested that FinCEN clarify the disposition of the BOI of U.S. persons already reported to FinCEN's beneficial ownership IT system (the "BO IT System") since the IFR relieved domestic entities and U.S. persons of the reporting requirements.

Commenters critical of the IFR, including corporate transparency advocacy organizations, other think tanks, organizations representing law enforcement, and four U.S. Senators, fell into two camps: those who essentially urged FinCEN to withdraw the IFR and reinstate the 2022 Reporting Rule, and those with more targeted or incremental criticisms. Commenters who urged FinCEN to withdraw the IFR raised a variety of specific objections to justify their positions, but their objections fell into two broad categories. Some of these commenters disputed FinCEN's assertion that the IFR was consistent with Congress's intent in enacting the CTA. Others disputed the policy conclusion that the benefit to be gained from BOI reporting at the level established by the 2022 Reporting Rule did not justify its burden.

The less globally critical commenters urged FinCEN to narrow the exemptions put forth in the IFR, but not to abandon them entirely. Some commenters also suggested alternative ways for FinCEN to reduce burden on domestic entities—ways that the commenters thought might be preferable to the IFR's broad exemptions from the BOI reporting requirements for domestic entities and U.S. persons.

Commenters also raised various other issues which, while relating to the IFR in some way, would not involve changes to the rule itself. These included issues arising from the relationship between the IFR and the 2016 CDD Rule, such as expectations for financial institutions to access the BO IT System; FinCEN's plans to revise the 2016 CDD Rule as required by the CTA; and other steps that could be taken to reduce the burden of the 2016 CDD Rule on covered financial institutions. They also included issues arising from FinCEN's overall implementation of the CTA and the 2022 Reporting Rule, such as FinCEN's Frequently Asked Question (FAQ) on how a company has no principal place of business in the United States should report its address, or how FinCEN was approaching enforcement of BOI reporting requirements in general.

These comments are addressed in more detail in sections I.C.3, III.A, III.B, III.C, and III.D of the Final Rule.[26]

9. <u>Payments and gifts.</u>

No payments or gifts were made to respondents.

10. <u>Assurance of confidentiality of responses.</u>

Pursuant to 31 U.S.C. 5336(c), BOI and FinCEN ID information collected under 31 U.S.C. 5336(b) are confidential and may not be disclosed except as authorized by the CTA. The CTA authorizes disclosure of BOI to certain categories of users, subject to appropriate protocols to protect the security and confidentiality of the information. Subject to certain limitations and access requirements, authorized users of BOI include: Federal agencies engaged in national security, intelligence, or law enforcement activities; state, local, or Tribal law enforcement agencies; foreign law enforcement, judicial, or prosecutorial authorities; financial institutions subject to CDD requirements; certain Federal functional regulators and other appropriate regulatory agencies; and Department of the Treasury officers and employees for their official duties, including for tax administration purposes.[27]

On December 21, 2023, FinCEN issued a final rule regarding access to BOI that provides the specific protocols that govern authorized users' access to BOI.[28] FinCEN also issued a new System of Records Notice (SORN) for BOI collected in connection with the implementation of the CTA, which publicly identified the routine uses of the information.[29]

11. <u>Justification of sensitive questions.</u>

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[26] *See Final Rule*, 91 FR at 52510-1, 52518-9.
[27] 31 U.S.C. 5336(c)(2)(B), (C), and (c)(5).
[28] FinCEN, *Beneficial Ownership Information Access and Safeguards Final Rule*, 88 FR 88732 (Dec. 22, 2023).
[29] FinCEN, *Privacy Act of 1974; System of Records*, 88 FR 62889 (Sept. 13, 2023).

There are no questions of a sensitive nature in the collection of information, such as sexual behavior and attitudes, religious beliefs, or other matters that are commonly considered private. Access to any personally identifiable information collected under the CTA will be strictly controlled, as outlined in the SORN applicable to the information (see item 10 above).

12. Estimated annual hourly burden.

Frequency: As required

Estimated Number of Responses: Approximately 12,790.[30]

Estimated Total Annual Burden Hours: 10,824 hours.[31]

Table 1 presents a summary of the expected number of responses and burden hours by activity type.

Table 1. Summary of the PRA Burden by Activity

Activity	Hours per Response[a]	Number of Responses	Total Burden Hours	Total Costs[b]
Filing Initial BOIRs by Foreign Beneficial Ownership Structure Complexity				
Simple	1.00	5,100	5,100	$331,935
Complex	2.00	1,700	3,400	$1,581,290
Updating BOIRs by Foreign Beneficial Ownership Structure Complexity				
Simple	0.50	830	415	$26,994
Complex	1.50	276	415	$137,594
Filing FinCEN ID Application	0.33	4,080	1,360	$88,516
Updating/Correcting Information in FinCEN ID Application	0.17	804	134	$8,721
Total		**12,790**	**10,824**	**$2,175,050**

[a] Hourly burden figures presented here are rounded to the nearest hundredth of an hour for presentation purposes. Total burden figures are produced using unrounded figures for accuracy.
[b] Total costs include (1) labor costs associated with the burden hours presented and (2) costs associated with professional assistance from an attorney or accountant for respondents with complex foreign beneficial ownership structures, which results in per-respondent costs of $800 to file an initial BOIR and $400 to update an BOIR.

Table 2 presents a summary of the change in expected responses and burden hours by activity type relative to the IFR.

Table 2. Summary of the Change in Expected Annual PRA Burden by Activity Relative to the IFR

[30] *See Final Rule*, at sections V.E.1 and 2, 91 FR at 52525-7.
[31] *Id.*

Activity	Reduction in Hours per Response[a]	Reduction in Number of Responses	Reduction in Total Burden Hours	Description of change based on updated data analysis
Filing Initial BOIRs	2.4 hours	4,867	33,990	Change in expected population of reporting companies; change in expected complexity distribution
Updating BOIRs	0.47 hours	6,311	8,249	Change in expected population of reporting companies; change in expected complexity distribution; change in the expected proportion of reports subsequently updated
Filing FinCEN ID Application	No change	89,253	29,751	Change in expected number of applicants per reported legal entity
Updating/Correcting Information in FinCEN ID Application	No change	19,868	3,311	Change in the expected proportion of applications subsequently updated
Total		**120,299**	**75,301**	

[a] Average hours per response, weighted between simple, intermediate, and complex reporting companies.

13. Estimated total annual cost burden.

Estimated Total Annual Aggregate Cost: $2,175,050.

This total annual aggregate cost includes a (1) total labor cost of $704,450 (10,824 hours multiplied by $65.09),[32] (2) a professional assistance cost associated with filing initial BOIRs of $1.36 million (1,700 initial BOIRs multiplied by $800),[33] and (3) a professional assistance cost associated with updating BOIRs of $110,600 (276.5 updated BOIRs multiplied by $400).[34]

14. Estimated annual cost to the Federal government.

To implement the Final Rule, FinCEN expects to incur certain operating costs that would amount to approximately $2.6 million on average per year over the next three years. These

[32] To arrive at this wage rate, FinCEN first derives a general composite hourly wage of $45.77 using Bureau of Labor Statistics (BLS) May 2024 mean wage data. *See* BLS, *May 2024—National industry-specific and by ownership*, https://www.bls.gov/oes/tables.htm. This composite is calculated by averaging wages across three occupations (11-0000, 13-0000, and 43-0000). FinCEN then adjusts this base wage to reflect total employer costs, including benefits. To do so, it applies a private sector benefits factor of 1.42, calculated from BLS Employer Costs for Employee Compensation data for private industry workers as of June 2024 (total compensation of $43.94 divided by wages and salaries of $30.90). *See* BLS, *Employer Costs for Employee Compensation*, https://www.bls.gov/news.release/archives/ecec_09102024.pdf. Applying this factor to the composite wage results in a fully loaded hourly rate of $65.09 ($45.77 × 1.42), which reflects total compensation, including benefits such as insurance and paid leave.

[33] For companies with complex foreign beneficial ownership structures, FinCEN estimated two hours of professional assistance from an attorney or accountant at a rate of approximately $400 per hour. Professional assistance rates are derived from the 2022 Reporting Rule. *See the 2022 Reporting Rule*, 87 FR at 59498.

[34] For companies with complex foreign beneficial ownership structures, FinCEN estimated plus one hour of professional assistance from an attorney or accountant at a rate of approximately $400 per hour.

estimates include anticipated expenses related to rulemaking maintenance, stakeholder outreach and informational support as well as certain incremental increases to pre-existing technological and IT infrastructure and administrative expenses, primarily related to ongoing annual maintenance to securely collect, process, store and make available electronic submissions of BOI, as well as any changes or enhancements required in support of the updated rule. This includes application and system support, applications help desk support, and security and infrastructure support.

15. Reason for change in burden.

The estimated change in total aggregate reporting burden hours, for PRA purposes on a going-forward basis from the IFR to the Final Rule, is an additional reduction of burden by approximately 75,301 burden hours per year, on average. The estimated change in total reporting cost is a reduction by approximately $20 million dollars per year, on average. This reduction in burden reflects several changes, which can be broadly grouped as (1) changes due to rule modifications and (2) changes due to data evaluation refinements since the IFR.

Changes due to rule modifications: The Final Rule further narrows the IFR's reporting requirements by exempting reporting companies from having to submit BOI about their U.S. person company applicants to FinCEN. This change is expected to lower both (1) the complexity of future BOIRs in terms of the number of reported persons and (2) the number of FinCEN ID applications submitted. The Final Rule also newly exempts U.S. persons from the requirement to update information filed when applying for a FinCEN ID, lowering the expected number of future updates submitted for existing FinCEN IDs.

Changes due to data evaluation refinements: For the Final Rule, FinCEN updated the data analysis prepared for the IFR on existing reporting company exemptions, reporting company complexity, and the proportion of reporting companies and FinCEN ID holders that make updates to the information previously provided to FinCEN. These analytical updates resulted in a lower number of expected BOIRs due to a higher share of foreign companies registered to do business in the United States being exempt under the Final Rule, less complex reports for those who submit BOIRs, and fewer updates to information provided to FinCEN through BOIRs or FinCEN ID applications.

Together, these changes resulted in downward revisions to FinCEN's previously estimated aggregate burden hours and expected costs.

16. Plans for tabulation, statistical analysis, and publication.

The information will not be tabulated or compiled for publication.

17. Request not to display expiration date of OMB control number.

FinCEN requests that it not be required to display the expiration date so that the regulations and forms will not have to be amended for the new expiration date every three years.

18. Exceptions to the certification statement.

There are no exceptions to the certification statement.